



State of Utah

Department of Natural Resources

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Division of Oil, Gas & Mining

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June 6, 2006

TO: File

THRU: Susan White, Mining Coordinator *SMW*

THRU: Tom Munson, Reclamation Specialist *RM*

FROM: Beth Ericksen, Surety Coordinator *BE*

SUBJECT: Tejon Quarries, Rocanville Corporation, M/027/087, Millard County, Utah

Rocanville Corporation submitted a payment proposal that has been slightly modified by the Division. This payment schedule is attached as part of the surety package, titled, "Rocanville Corporation Payment Schedule M/027/087" which is being submitted for approval.

This company currently has 11.5 acres of existing land disturbance, of which, as financial guarantee, there are two existing CD's totaling \$31,700.00 which is for 9.91 acres of existing disturbance. The company is required to submit an additional \$27,100 as reclamation surety for the difference of ~~1.59 acres~~ ^{total 11.5 acres} of existing disturbance. The payment schedule allows the company to make incremental payments consecutively for seven (7) months during 2006 until the \$27,100 is paid in full.

In addition, this company wants to disturb an additional 8.5 acres, and must submit an amount of \$50,100 as a financial guarantee for this undisturbed area. The cumulative bond amount will be \$108,900 for a total for 20 acres (11.5 disturbed acres + 8.5 undisturbed acres). The company will submit four (4) yearly payments as identified on the Payment Schedule with the first payment in 2006. This undisturbed acreage yearly schedule is in conjunction with the monthly payments disturbed acreage schedule during 2006.

Final permit approval may be pending until the acceptance and approval of the "Rocanville Corporation Payment Schedule M/027/087" and associated reclamation contract have occurred.